

Applicant : Thomas G. Woolston
Serial No. : 09/557,617
Filed : April 25, 2000
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Attorney's Docket No.: 13466-002011

In the Title:

Please amend the title to read --FACILITATING PAYMENT FOR ELECTRONIC
COMMERCE TRANSACTIONS--.

In the Specification:

Page 1, between lines 2 and 3, insert the following:

--CROSS-REFERENCE TO RELATED APPLICATIONS

B1
This application is a continuation of U.S. Patent Application Serial No. 09/166,779, which is a continuation of Serial No. 08/554,704, now U.S. Patent No. 5,845,265, which is a continuation-in-part of Serial No. 08/427,820. This application is related to U.S. Patent Nos. 6,202,051; 6,085,176, and 6,266,651, and U.S. Patent Application Serial Nos. 09/253,014 filed February 19, 1999; 09/253,015 filed February 19, 1999; 09/670,561 filed September 27, 2000; 09/670,562 filed September 17, 2000; 09/556,653 filed April 24, 2000; 09/557,617 filed April 25, 2000; 09/644,857 filed August 24, 2000; 09/779,551 filed February 9, 2001; and 09/418,564 filed October 15, 1999. --.

B2
Please amend the paragraph beginning at page 4, line 22 as follows:

A consignment node in a simple form may have a computer 10, a digital camera 12, a bar code scanner 14, a display 16, a printer 20, a keyboard 18, a tape drive 24, a database 22 and a network connection 26 collectively called hereinafter a consignment node. The present invention also has a user interface application program to execute [an] a user or participant's data terminal 28.

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Please amend the paragraph beginning at page 11, line 22 as follows:

It should be noted that a consignment node user may sell virtual advertising space or a central master node e.g., the franchiser, may coordinate the sale of advertising space on a pool of consignment nodes to reach target market participants. For example, if a participant has purchased or speculated in antique pens, and advertisers of an antique pen [specially] specialty consignment node [wishes] wish to target market individuals on the network who have purchased collectable pens in the past. A central coordinated master node may sell advertising to an advertiser for the log on message or e-mail targeted participants and users. Thus, the network of consignment nodes can establish a market for target marketing or blanketed advertising of goods and services sold locally or on a network level by a central node.

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~~Please amend the paragraph beginning at page 12, line 8 as follows:~~

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The Agent Mode allows a consignment node participant to search a plurality of consignment nodes and purchase records for a used good. A participant may log onto his local consignment node to shop. This participant, for example, may be interested in purchasing a particular used coin for her collection. The participant may invoke a consignment node Agent to search the network of consignment nodes for this coin. The participant fills in the search parameters for this coin, for example, a 1872 U. S. penny from the Denver Mint. The consignment node Agent task handler verifies the Agent form is sufficiently filled out and accepts the task. The Agent checks a list of other consignment nodes network addresses kept by the local consignment node database and generates an Agent communication message to each consignment node on the list and begins to establish communications to the other consignment nodes. An Agent message between consignment nodes begins by coordinating or reconciling the database on each consignment node of the locations and/or address of other consignment nodes. If a consignment node has a different list of consignment nodes in its database it will pass the node update information to the other consignment node. The consignment node originating the Agent task will generate a new Agent task to accommodate the information concerning the new consignment node. Once the consignment node database of consignment nodes is reconciled, the Agent will search the consignment node database for the goods requested. The Agent will report back whether the search of the local market database was successful and how many [good] goods that [matches] match the Agent search request it found. An Agent may also search the consignment node database of past transactions to identify an owner of a particular good. The Agent may then report that John Doe of Main Street, U. S. A. was the last known purchaser of a 1872 U. S. penny from the Denver Mint at this node. It is understood that differing levels of privacy are available to consignment node purchasers, so as only allowing the local consignment node user to view past purchaser information and/or provide the Agent with an option of contacting that consignment user so he may contact the prior purchaser, thus, protecting privacy while allowing bona fide 10 offers to reach the prior purchaser in confidence.

Please amend the paragraph beginning at page 14, line 5 as follows:

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Figure 1 shows a schematic view of the consignment node of the present invention may have a computer 10, a data storage device 22, a tape drive 24, a digital camera 12, a bar code scanner 14, a display 16, a keyboard 18, a laser printer 20, and a network connection 26. A participant user terminal is shown at 28.

Page 15, between lines 4 and 5, insert the following paragraph:

B⁶
--Figure 12A is a diagram illustrating a flow of funds between participants in an electronic commerce transaction.--.

Please amend the paragraph beginning at page 18, line 22 as follows:

B⁷
Figure 4 shows the logical block flow diagram of the processes the consignment node may take to execute an auction. It is understood that the consignment node user may manually invoke the auction process, or may schedule the consignment node to execute the auction process. The auction process begins by initializing 250 the data structures, records, queues and the like to conduct the auction process. The connection between the auction process and auction participants is discussed below. The auction process gets the first item to be auctioned 252 from the database of goods to be auctioned 254. The consignment node then calculates the opening bid 256 by a predetermined formula such as 50% of the reserve or general solicitation of an opening bid is posted to the auction participants 258. The consignment node auction mode then scans the participants for a higher [bids] bid 262. If a higher bid is found the new bid is posted 264. It is understood that the steps of checking for bids 260 determines if the bid is higher 262 and posting the new higher bid 264 is repeated until no higher bids are received. After the typical auction closing of going once . . . twice . . . three times the auction is closed 266. The consignment node auction program then compares the highest bid received with the good's reserve price 268 to determine whether to transact the sale. If the highest bid is greater than the reserve price the consignment node auction process posts sold! for xxx amount to the auction participants and calls the transfer ownership subroutine 270, discussed further below, and transfers the ownership of the good. If the highest bid is less than the reserve price the consignment node auction process announces no sale! 272 to the auction participants. The auction process then proceeds 274 to get

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the next good to be auctioned 278. The consignment node auction process is then repeated until all the goods to be auctioned have been run through 278. The consignment node auction may then close and terminate the participant sessions 280. It is understood that the transfer ownership 270 sub-routine may require time to clear the transaction and, therefore, may be best [implement] implemented as a spawned child process to the auction process. This will keep the consignment node auction executing at an exciting and fast pace for the participants. The consignment node auction process itself may execute in several instances to provide simultaneous auctions on a consignment node. Thus a consignment node may conduct several simultaneous auctions on several virtual runways. It is understood that in the auction mode the consignment node and the participant interface software may communicate using a protocol that allows the consignment node auction driver to "point to" locations stored in the participant interface software, to cause the participant interface software to generate the sound of a auctioneers voice on the sound blaster, or equivalent board. Thus, the present invention uses pre-stored sound samples of different auction prices and auctioneer "string" along aural calls inside the participant interface software, and allows the generation of said pre-stored sound bites to be invoked by the consignment node driver through the said special protocol. This method greatly reduces the bandwidth necessary for a consignment node to support the generation of exciting auctioneers calls at a plurality of participant terminals. It is understood that the generation of an audio bit stream from the consignment node to the participant terminals is also [with] within the scope of the present invention.

Page 28, between lines 2 and 3, insert the following paragraph:

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-- Figure 12A is a diagram illustrating a flow of funds between participants in an electronic commerce transaction. For clarity of explanation a participant/user A is identified as the payor and a participant/user B is identified as the payee. Both A and B have established accounts in the accounts database (824) as indicated by the dashed line pointing to and from the accounts database. Figure 12A also depicts the flow to create a positive balance for A (from, for example, the transfer of funds from a financial institution associated with A to a financial institution associated with the system or from past sales on the system), an interest-bearing accounting by the system for positive cash balances maintained by A, the transfer of payment

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from A to B by acceptance, for example, of offers, counter-offers or auctions, an interest bearing accounting for positive cash balances maintained by B, and the extraction of funds accounted by the system for B (by, for example, a check payable by the financial institution associated with the system or by fund transfer from the financial institution associated with the system to a financial institution associated with B). Although the financial institution associated with A is shown as the same financial institution associated with B, this need not be the case.--

Please amend the paragraph beginning at page 28, line 3 as follows:

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Figure 13 shows an example of a graphical user interface that may be presented to a posting terminal 700 user. The graphical user interface for the posting terminal 700 may include an image of the item represented by the record 920, a description of the item 922, and 924, the "push button" commands to receive pictures from the digital camera 926, to post a record 928, to clear a local sale, 930, to de-post a record 932, to access files of records 934, to view and/or receive and send mail 938, a database category field 940 with a pull down selection bar 942, a database subcategory 944 with a pull down selection bar 946, a code field 948, a posting date field 950, a store identification 951, a market designator field [954] 952, a description field 956, a reserve or wholesale price field 958, and identifier 960, a retail or full price field 962 and identifier 964. The category 940 and sub-category 944 data fields are restricted to selections that can be made by the respective pull down bars 942 and 946. This aids the posting terminal operator in selecting the correct market for the good when creating a record and assures that all records can properly link into a market computer 900 market database. A file may be stored at posting terminal 700 that corresponds to database structure at the market maker computer 800. Having the database structure in a file at posting terminal 700 may allow the posting terminal to receive updates by remote file transfer techniques, such as the KERMIT, FIT, xmodem and ymodem protocols. It is understood that certain selections from the market category 940 and subcategory fields may be "greyed" or that is blocked from selection by a posting terminal 700 user to enforce a franchise and/or license grant that only allows posting in a certain field. This may allow a franchising scheme that restricts a franchisee to a field of use and/or category of goods. The code field 948 displays the bar code data in text form that the market maker computer 900 sends to the posting terminal 700 when a record is successfully posted. Therefore, the code

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field 948 can serve as a quick visual confirmation to the posting terminal user that the displayed record has been posted. The market designator field 952 may also be a restricted selection field accessible by pull down selection bar 954. Fields selectable by the market field 952 may include auction, on sale, hold and the like to give additional directionality to the record posting. The price 964 and reserve price fields 958 may be used to structure the two-tiered market of dealer-to-dealer and retail markets. The reserve price identifier 960 and reserve price field 958 may be hidden from view to retail participants. A dealer may be provided with special logon identifications and passwords to view the reserve price 958 and reserve price indicator 960. This feature encourages franchisees to use the electronic market for collectable goods dealer participant interface to generate local sales.

Please amend the paragraph beginning at page 34, line 25 as follows:

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A security module 804 may be used to provide identification and password security. It is understood that other security and authentication techniques may be used at security module 804. It is understood that database server 806 may be an ODBC server available from many commercial database providers. Much of the market maker computers 800 functionality is disclosed above in the consignment node functionality. The databases may be structured to indicate of for-sale 814 database and sold database 816, and auction database. 817 and a shipped database 820. It is understood that records may move between the databases by book entry transaction. The transaction processor 812 may use RSA certificates and/or other well-known techniques to process secured transactions between the market maker computer 800 and participants [702] 700 and 902. It is understood that the transaction processor 812 may interface with external payment systems 826. It is understood that participant accounts may be tracked at the market maker computer 800. Moreover, it is understood that account surpluses may be acquired by participants speculating in collectable goods may be invested in highly liquid and safe assets such as U. S. Treasury bills to provide [and] an interest bearing accounting for positive cash balances. This provides an incentive, or at least a hedge against inflation, for a participant to keep funds within the collectible market place and to use these funds to speculate in the collectible market. By using funds available at the market maker computer 800 participants can reduce the transaction costs associated with credit cards and other transaction

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clearing means and optimize the participants' return on price movements in the buying and selling of collectable goods. It is within the scope of the present invention to allow access to the electronic collectable market through stock brokers, banks, and other transaction providers through these providers private transaction networks, e. g., those networks that use dial in telephone lines to home computers and/or dedicated data lines. It is within the scope of the present invention to allow professional investment advisors to operate funds such as investment companies, mutual fund partnerships and the like, that use collectable goods as part of the funds assets. It is understood that the market "history" may be archived and provided to investment advisors and/or posting terminal users and/or participants on a CD-ROM or other mass storage medium to allow off-line analysis of trends in the collectable goods market. This will allow or create a new class of "learned" speculators in this unique, novel and non-obvious electronic market place and network of trusted franchisees in the collectable goods domain. It is also within the scope to the present invention to create the liquidity, volume and availability analysis to allow the creation of a secondary and derivative market for option and futures contracts and other speculative constructs to be created with the underlying assets as collectable goods in the electronic market place of the present invention.

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In the Abstract:

Delete the current Abstract and substitute the following:

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--A computer-based transaction system and method for facilitating payment between users in response to user offerings in a fixed price or ascending bid auction format wherein accounts for accepting the offers in the multiple formats are accessible online and potential buyers are given incentives to maintain positive balances in their accounts by providing a financial return on positive balances and potential sellers or buyers are given the incentive of accepting payment or providing payment from or with their account by eliminating credit card processing fees when positive account balances are used to accept the offers.--
